

*The
Counselling and
Assistance
Regulations, 1989*

being

Chapter F-8.001 Reg 2 (effective January 1, 1990)
as amended by Saskatchewan Regulations 155/92.

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER F-8.001 REG 2
The Farm Financial Stability Act

Title

1 These regulations may be cited as *The Counselling and Assistance Regulations, 1989*.

Interpretation

2 In these regulations:

- (a) “**Act**” means *The Farm Financial Stability Act*; and
- (b) “**fiscal year**” means the period commencing on April 1 in one year and ending on March 31 in the next year.

29 Dec 89 cF-8.001 Reg 2 s2.

Consolidation loan

3 For the purposes of subclause 6(c)(ii) of the Act, the liabilities that are permitted to be consolidated for the purpose of obtaining a guarantee of a consolidation loan pursuant to section 16 of the Act are:

- (a) accounts outstanding at the beginning date of the applicant’s farm plan payable for:
 - (i) fertilizer, fuel, seed, feed, maintenance or repairs;
 - (ii) premiums for crop and hail insurance;
 - (iii) custom farm operation charges;
 - (iv) veterinary and other professional services;
 - (v) other goods and services required to meet short-term operating needs; and
 - (vi) rent on land, other than amounts payable to municipal, provincial or federal governments;
- (b) up to one year’s arrears of:
 - (i) interest on land purchase agreements and mortgages, other than amounts payable to municipal, provincial or federal governments;
 - (ii) interest on loans related to the purchase of farm machinery and equipment, livestock and buildings, other than amounts payable to municipal, provincial or federal governments; and
- (c) up to one year’s arrears of interest on any loans related to the production of commodities other than loans from municipal, provincial or federal governments.

29 Dec 89 cF-8.001 Reg 2 s3.

Net worth

4 For the purposes of clause 11(2)(b) of the Act, the maximum net worth a farmer may have for the purpose of obtaining a guarantee pursuant to section 16 of the Act:

(a) in the case of an individual farmer or a corporation, co-operative or partnership with only one member or shareholder who is an individual farmer, is the lesser of:

- (i) \$500,000; and
- (ii) 60% of the value of the farmers' assets;

(b) in the case of a farmer that is a corporation, co-operative or partnership with more than one member or shareholder who is an individual farmer, is the lesser of:

- (i) \$1,000,000; and
- (ii) 60% of the value of the assets of the corporation, co-operative or partnership, as the case may be.

29 Dec 89 cF-8.001 Reg 2 s4.

Initial farm plan

5 For the purposes of subclause 13(1)(a)(ii) of the Act, an initial farm plan is to contain the following information:

- (a) an estimate of:
 - (i) the expenses associated with the applicant's farming operation; and
 - (ii) the applicant's living expenses;
- (b) a record of:
 - (i) the regular payments the applicant is required to make on term loans related to the applicant's farming operation;
 - (ii) the current year's interest on principal and interest outstanding and payable by the applicant on:
 - (A) operating loans; and
 - (B) term loans;
 related to the applicant's farming operation; and
 - (iii) all other loan liabilities not related to the applicant's farming operation;
- (c) a statement of all income earned by the applicant, including all income earned through custom work, other than from the applicant's farming operations;
- (d) a detailed farm production plan for the 12-month term of the farm plan;
- (e) a production plan summary for the year following the 12-month term of the farm plan;

- (f) an estimate of the income to be earned by the applicant from his or her farming operation; and
- (g) an estimate of all loan requirements including operating loans and credit used to acquire goods and services required to meet short-term operating needs.

29 Dec 89 cF-8.001 Reg 2 s5.

Maximum number and amount of loans

6 For the purposes of subsection 16(2) of the Act, the program board or program chairperson may only authorize guarantees to a maximum of:

- (a) with respect to a farmer that is an individual or a corporation, co-operative or partnership with only one member or shareholder who is an individual farmer:
 - (i) two guarantees of operating loans and one guarantee of a consolidation loan outstanding at any one time; and
 - (ii) \$100,000 for an operating loan and \$100,000 for a consolidation loan for a total maximum of \$200,000 in one fiscal year; and
- (b) with respect to a farmer that is a corporation, co-operative or partnership with more than one member or shareholder who is an individual farmer, other than a spouse of an individual farmer or a child of an individual farmer under 18 years of age:
 - (i) two guarantees of operating loans and one guarantee of a consolidation loan outstanding at any one time; and
 - (ii) \$200,000 for an operating loan and \$200,000 for a consolidation loan to a total maximum of \$400,000 in one fiscal year.

29 Dec 89 cF-8.001 Reg 2 s6.

Maximum loan requirements

7 In order to be eligible to receive a guarantee pursuant to section 16 of the Act, the estimate made pursuant to clause 5(g) of the applicant's loan requirements is not to exceed:

- (a) \$300,000 in the case of a loan made to an individual farmer or a corporation, co-operative or partnership with only one member or shareholder who is an individual farmer; and
- (b) \$600,000 in the case of a corporation, co-operative or partnership with more than one member or shareholder who is an individual farmer, other than a spouse of an individual farmer or a child of an individual farmer under 18 years of age.

29 Dec 89 cF-8.001 Reg 2 s7.

F-8.001 REG 2 COUNSELLING AND ASSISTANCE, 1989**Maximum interest rate**

8 For the purposes of clauses 16(4)(b) and 16(5)(e) of the Act, the maximum rate of interest that a designated lending institution may charge is the sum of:

- (a) the prime lending rate of the designated lending institution; and
- (b) 0.5%;

to be calculated on a non-compounding basis.

29 Dec 89 cF-8.001 Reg 2 s8.

Procedures for claims

9 For the purposes of subclause 16(5)(g)(ii) of the Act, a designated lending institution that wishes to make a claim for losses sustained as a result of making a guaranteed loan shall forward a report to the corporation in the form required by the corporation:

- (a) stating that the farmer is unable to repay the loan;
- (b) stating any reasons why a judgment or writ of execution should not be obtained against the farmer; and
- (c) requesting that a payment be made pursuant to subsection 16(4.1) or (4.2) of the Act pursuant to the guarantee.

29 Dec 89 cF-8.001 Reg 2 s9; 24 Dec 92 SR 155/92 s2.

Maximum amount payable to one lending institution

10(1) For the purposes of subsection 16(8) of the Act, the maximum amount that may be paid to any one lending institution pursuant to subsection 16(4) of the Act with respect to guarantees authorized during a fiscal year for loans made by that lending institution during that fiscal year is not to exceed the sum of:

- (a) 100% of the first \$1 million of those guarantees;
- (b) 75% of the amount of those guarantees that is more than \$1 million but not more than \$2 million;
- (c) 50% of the amount of those guarantees that is more than \$2 million but not more than \$3 million; and
- (d) 25% of the amount of those guarantees that is more than \$3 million.

(2) Where a calculation is made pursuant to subsection (1) with respect to credit unions, the amount that is obtained pursuant to that subsection is to be allocated in a manner that every credit union receives payment with respect to the same percentage of its losses on guaranteed loans as every other credit union.

29 Dec 89 cF-8.001 Reg 2 s10.